

FISCAL NOTE

SB 3139 - HB 3199

March 20, 2000

SUMMARY OF BILL: Gives ineligible persons currently enrolled in TennCare until September 1, 2000 to voluntarily request disenrollment. Allows any health insurer or employer who offers a group health plan but has failed to enroll an individual and referred that person to TennCare to offer to enroll such individual without penalty. Imposes a civil penalty up to \$20,000 for an insurer or employee who fails to enroll a person and refers the individual to the TennCare plan.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$142,000 Recurring
\$150,000 One-Time

Decrease State Expenditures - Exceeds \$100,000

Other Fiscal Impact - Increase Federal Expenditures - \$130,000 One-Time
Decrease Federal Expenditures - Exceeds \$200,000

Estimate assumes:

- Cost to mail notices to all TennCare enrollees of the amnesty period at a one-time cost of \$260,000 that would be shared between the state and federal government. Since the bill requires the 60-day notification period to begin upon the bill becoming law, it is assumed that a separate mailing will be necessary to notify TennCare enrollees.
- Four additional positions in the Department of Commerce and Insurance with related expenditures to enforce provisions contained in the bill.
- Some decrease in enrollment and subsequent savings from persons who would not otherwise be removed from the program. The number of enrollees removed from the program and the amount of savings as a direct result of the bill cannot be determined but can be estimated to exceed \$100,000 in state cost and to exceed \$200,000 in federal cost. If approximately 170 enrollees were removed from the program, the savings would exceed \$100,000 to the state.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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